

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:)	
)	Chapter 11
)	
CELSIUS NETWORK LLC, <i>et al.</i> , ¹)	Case No. 22-10964 (MG)
)	
Debtors.)	(Jointly Administered)
)	

**SUPPLEMENTAL DECLARATION OF MITCHELL HURLEY
IN SUPPORT OF THE DEBTORS' APPLICATION AUTHORIZING
THE RETENTION AND EMPLOYMENT OF AKIN GUMP STRAUSS
HAUER & FELD LLP AS SPECIAL LITIGATION COUNSEL FOR THE DEBTORS
AND DEBTORS IN POSSESSION EFFECTIVE AS OF THE PETITION DATE**

I, Mitchell Hurley, under penalty of perjury, declare as follows:

1. I am an attorney admitted to practice in the State of New York, and I am a partner with the firm of Akin Gump Strauss Hauer & Feld LLP ("Akin Gump"). Akin Gump maintains offices at, among other places, One Bryant Park, New York, New York 10036. There are no disciplinary proceedings pending against me.

2. I am duly authorized to make this supplemental declaration (the "Supplemental Declaration") on behalf of Akin Gump in support of the *Debtors' Application Authorizing the Retention and Employment of Akin Gump Strauss Hauer & Feld LLP as Special Litigation Counsel for the Debtors and Debtors in Possession Effective as of the Petition Date* [Docket No. 392] (the "Application").²

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Celsius Network LLC (2148); Celsius KeyFi LLC (4414); Celsius Lending LLC (8417); Celsius Mining LLC (1387); Celsius Network Inc. (1219); Celsius Network Limited (8554); Celsius Networks Lending LLC (3390); and Celsius US Holding LLC (7956). The location of Debtor Celsius Network LLC's principal place of business and the Debtors' service address in these chapter 11 cases is 121 River Street, PH05, Hoboken, New Jersey 07030.

² Capitalized terms used but not otherwise defined herein have the meanings set forth in the Application.

3. On August 8, 2022, the Debtors filed the Application, together with, among other things, the *Declaration of Mitchell Hurley in Support of the Debtors' Application Authorizing the Retention and Employment of Akin Gump Strauss Hauer & Feld LLP as Special Litigation Counsel for the Debtors and Debtors in Possession Effective as of the Petition Date* (the "Hurley Declaration"), attached to the Application as Exhibit B.

4. I submit this Supplemental Declaration in accordance with Bankruptcy Code sections 327, 328 and 330, Bankruptcy Rules 2014 and 2016 and Bankruptcy Local Rules 2014-1 and 2016-1 and in response to certain questions received from the U.S. Trustee with respect to the Application. Except as otherwise noted, I have personal knowledge of the matters set forth herein.

5. As described in the Application, the Debtors seek to retain Akin Gump as special litigation counsel with respect to the Specified Litigation Matters. With respect to the Prime Trust Dispute, and as disclosed in the Hurley Declaration, Akin Gump began performing legal work for Celsius in June 2021. Akin Gump represented Celsius in connection with, among other things, its successful effort to cause Prime Trust LLC ("Prime Trust") to return assets worth more than \$140 million at recent prices, as further discussed in the adversary complaint ("Prime Trust Complaint") that Akin Gump filed on behalf of certain of the Debtors on August 23, 2022 [Docket No. 585]. Akin Gump continued to represent Celsius in connection with its efforts thereafter to recover the balance of assets that Prime Trust continued, and continues, wrongfully to withhold, including assets that now are the subject of the Prime Trust Complaint.

6. Regarding the Stone Dispute, as set forth in the Application, Akin Gump's representation of Celsius on this matter began in March 2021. Akin Gump worked on behalf Celsius for months to seek return of coins that had been provided to Stone, including, among other things, in connection with Celsius' successful effort to recover from Stone coins with a value in

excess of \$1 billion at the time of their return, as further explained in the adversary complaint that Akin Gump filed on behalf of certain of the Debtors on August 23, 2022 [Docket No. 581]. Akin Gump continued to represent Celsius in connection with efforts to recover the balance of coins, including through mediation and confidential settlement discussions that began last year and continued periodically through shortly before these Chapter 11 Cases were filed.

7. The Hurley Declaration includes *Statements Regarding U.S. Trustee Guidelines*. As noted in the Hurley Declaration, Akin Gump provided a 10% discounted hourly rate to Celsius from March – December 2021. Those rates (before applying the 10% discount) were: \$555.00 to \$1,995.00 per hour for lawyers and \$230.00 to \$550.00 per hour for paralegals. Further, during this period, Akin agreed to an additional discount off of the then-standard rate of \$1,655 for the undersigned, in order to make my rate equal to that of a senior corporate partner who was then working on another Celsius matter, as further explained in the Hurley Declaration. Beginning as of January 1, 2022, and until Akin Gump was retained as restructuring counsel in June 2022, Akin Gump agreed to provide tiered discounts based on aggregate fees for the calendar year and the assumption that it would provide services to Celsius across multiple practice areas.

8. Furthermore, with respect to the *Statements Regarding U.S. Trustee Guidelines*, Akin Gump indicated that it expects to develop a prospective budget and staffing plan. For the avoidance of doubt, Akin Gump has discussed the budget and staffing plan with the Debtors and is in the process of preparing these. Akin Gump will provide a proposed budget and staffing plan to the Debtors within fourteen (14) days of entry of an order approving the Application.

9. Paragraph 24 of the Application and paragraph 18 of the Hurley Declaration state that certain prepetition fees and expenses may have been incurred by Akin Gump but not yet applied to the advance payment balance that Akin Gump holds. For the avoidance of doubt,

although I am not aware of any outstanding prepetition fees and expenses, due to Akin Gump's accounting system and reconciliation process, certain expenses incurred prior to the Petition Date may not yet have been processed. To the extent that there are any outstanding prepetition expenses, Akin Gump holds an advance payment balance that would be applied to these prepetition expenses, with the remaining balance to be applied against postpetition fees and expenses. Further, Akin Gump does not believe that there are any prepetition fees owing; however, to the extent there are, Akin Gump would apply the advance payment balance against any such prepetition fees, with the remaining balance to be applied against postpetition fees and expenses.

10. In paragraph 16 of the Hurley Declaration, I disclosed that Akin Gump may, from time to time, be required to utilize the service of overtime secretaries in order to ensure compliance with all applicable deadlines in connection with the Specified Litigation Matters. I further disclosed that Akin Gump charges fees for these services and may bill the Debtors for overtime secretarial charges that arise out of business necessity. For the avoidance of doubt, the additional fees referred to in paragraph 16 of the Hurley Declaration refers only to the reimbursement of overtime secretarial charges that arise out of business necessity and charges for overtime meals and overtime transportation consistent with the Amended Guidelines and the Local Rules. Akin Gump submits that it will not charge the Debtors for internal secretarial overtime in these Chapter 11 Cases.

11. By reason of the foregoing and as set forth in the Hurley Declaration, I continue to believe that Akin Gump is eligible for employment and retention by the Debtors pursuant to Bankruptcy Code section 327(e), 328(a), 330 and 331 and the applicable Bankruptcy Rules and Local Rules.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge and belief.

Executed on August 31, 2022

/s/ Mitchell Hurley
Mitchell Hurley